



**When You
Change
Retirement
Systems**

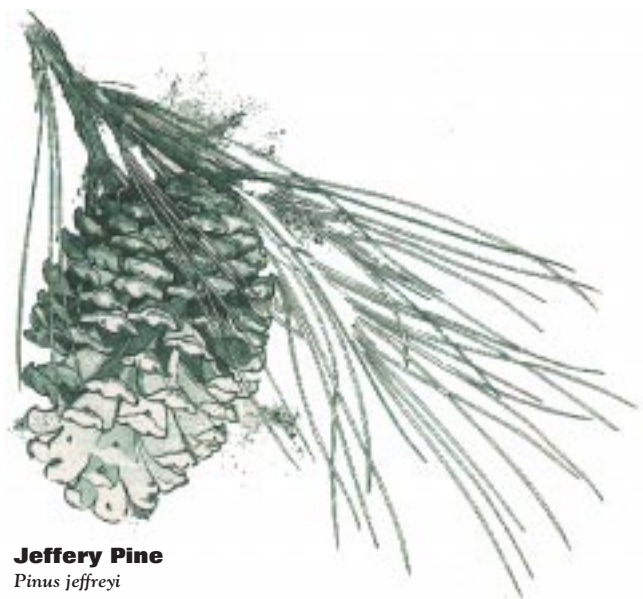


*California
Public
Employees'
Retirement
System*

When You Change Retirement Systems

This brochure provides information on the rights and benefits afforded to a member of the California Public Employees' Retirement System (CalPERS) in conjunction with certain other public retirement systems in California.

As you read this information please note that CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law, it does not extend to applying and implementing the laws and regulations under which other public retirement systems are administered. Questions relating to rights, benefits and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.



Jeffery Pine

Pinus jeffreyi

Also called the bull pine, this tree prefers the dry, granite slopes of California's high Sierra. The bark and twigs of this pine, when crushed, smell of lemon and vanilla.



Reciprocity

CalPERS has an agreement with many public retirement systems that allows movement from public employer to public employer within a specified time limit without losing valuable retirement and related benefit rights. This is called “*reciprocity*.”

There is no transfer of funds or service credit between retirement systems when an employee establishes reciprocity. The employee becomes a member of both systems and is subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age), except as modified by the reciprocity agreement. Upon retirement, separate retirement allowances are received from each system, and the member must apply to retire from



each system separately. The member must retire on the same date from all public retirement systems participating in a reciprocal agreement for **all** benefits of reciprocity to apply.

CalPERS has an agreement with State Teachers' Retirement System, Judges' Retirement System and Legislators' Retirement System that provides similar benefits, although there is no reciprocity between the systems. The benefits arising from movement to a non-reciprocal retirement system are explained under the section "Benefits Arising from Movement to Certain Non-Reciprocal Retirement Systems."

The public retirement systems that have established reciprocity with CalPERS, (systems under the County Employees Retirement Law of 1937, California Public Agency Systems and University of California Retirement Plan (UCRP)) are listed in the next section.



Mountain Hemlock

Tsuga mertensiana

The mountain hemlock can be found from Southern Alaska to California. At high elevations the usually tall tree becomes a creeping shrub, providing cover and seeds for birds and foliage for mountain goats.

Public Retirement Systems that have Established Reciprocity with CalPERS

1. Counties that maintain retirement systems under the County Employees Retirement Law of 1937:

Alameda	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

2. California public agency retirement systems of the following:

City of Concord*

City of Costa Mesa**

(safety employees only)

City of Oakland

(miscellaneous employees only)

City of Sacramento

City of San Clemente

(miscellaneous employees only)

City of San Diego

City and County of San Francisco

City of San Jose

Contra Costa Water District

County of San Luis Obispo

East Bay Municipal Utility District

East Bay Regional Park District

(safety employees only)

Southern California Rapid Transit District

* Contracted with CalPERS on 6/21/93

** Contracted with CalPERS on 9/18/94

3. The University of California Retirement Plan (UCRP)

Establishing Reciprocity

A member must satisfy certain statutory conditions in order to receive the full benefits of reciprocity when changing employment:

- The member must continue membership in the first retirement plan by leaving their service credit and contributions (if any) on deposit; and
- The member's entry into employment in which they became a member of the reciprocal retirement system must occur within six months* of discontinuance of employment as a member of the first system.
- For the benefit of highest final compensation, the member must retire concurrently under both systems.



Sierra Redwood
Sequoiadendron giganteum

The sierra redwood and coast redwood are California's state trees. Also called the giant sequoia, this rare species is among the world's oldest trees, some being as old as 3,200 years. The sierra redwood grows to 250 feet and has a trunk diameter of up to 20 feet, yet the cones are never longer than four inches. The majority of these redwoods are protected in California's national and state parks.



* Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. The information stated above expresses current CalPERS laws.

Important: Reciprocity *does not* apply when employment and membership continue in the first system and *concurrent employment* results in membership in another system since the member has not discontinued employment and has not changed from one system to another. If the member is concurrently employed, for the period of service accrued during concurrent employment, CalPERS salaries would be used.

Reciprocity *does not* apply when termination and entry into employment resulting in a change in membership from CalPERS to another system or from another system to CalPERS occurred *before* the effective date of the agreement that established reciprocity between the two systems. If the member would have been eligible for reciprocity had the agreement been in effect at the time of the move, the provision relating to *highest final compensation* will apply as long as the member retires on the same date under each system.

Member Benefits Accruing from Reciprocity

The benefits accruing to a member upon qualifying movement between reciprocal systems are listed below. These benefits are valuable additions to the basic benefit package provided by each employer:

1. *Membership rate age*: Use earlier age at entry into the other system in determining member contribution rate for a variable rate formula, if contributions were never withdrawn from the other system. Miscellaneous members and most safety members in CalPERS have retirement formulas with a fixed rate of contribution and are not affected by their age at entry into the other system.
2. *Final compensation*: Use of highest compensation earnable under any of the systems when computing final compensation as long as the member retires on the same date under all systems except where the member is an “Elective or Appointed Officer” on or after July 1, 1994.
3. *Qualification for Benefits*: Service in the other system may be used to meet minimum service requirements for benefits. (See Other Rights, Benefits and Obligations)
4. *Disability Retirement**: Entitlement to a disability retirement if the member is eligible to receive a disability retirement benefit from the other system (disability income if UCRP member) and retires from both systems on the same day. CalPERS

will pay a disability benefit that does not exceed the difference between the amount which would be paid by the other system if all the member's CalPERS service were credited with the other system, and the amount that was actually paid under the other system. If adding the member's CalPERS service with the other system's service does not increase the member's allowance with the other system, CalPERS will pay an annuity that is the actuarial equivalent of the member's CalPERS contributions.

If the member retires under the other system because of a work-related disability, CalPERS will pay an annuity that is the actuarial equivalent of the member's CalPERS contributions.

5. *Pre-Retirement Death Benefits:* Continues entitlement to the special or basic death benefit while the member is in employment as a member of another system. The amount paid may not exceed that amount which, when added to the death benefit paid by the other system, exceeds the maximum payable under that system.

* If eligible (meets minimum age requirement), a member may retire for service retirement from CalPERS in lieu of a disability retirement.

Other Rights, Benefits and Obligations

The reciprocity that has been discussed so far is generally considered “full reciprocity.” A member who satisfies the statutory criteria to qualify for reciprocity acquires the “full” benefits resulting from the reciprocal agreement. The following are other rights, benefits and obligations that apply to a CalPERS member who enters into employment with a reciprocal public retirement system with or without establishing “full reciprocity”:

- **Redeposit Rights:** A member may choose to withdraw his CalPERS contributions upon leaving CalPERS covered employment *prior* to entering employment as a member of a reciprocal retirement system. This member has the right to later elect to redeposit those CalPERS contributions in order to reestablish service credit and membership in this system.

Full reciprocity benefits (for example, salary exchange, disability retirement) accrue to a member of a reciprocal retirement system who redeposits in CalPERS *only* when the member’s earlier movement from CalPERS to the reciprocal system was within the time specified by law.

- **Refund Restriction:** A member’s CalPERS contributions may not be withdrawn while the person is in employment as a member of UCRP, or where the person is in employment, entered within *six months* of leaving state service, in a position covered



by a system under the County Employees Retirement Law of 1937 or certain public agency retirement systems.

- **Vesting:** A CalPERS member (first and second-tier) who has established membership with a reciprocal retirement system with or without establishing “reciprocity” is entitled to retire from CalPERS without meeting the minimum service credit requirement.
- **Final Compensation UCRP:** Regardless of whether the member qualifies for reciprocity, the average salary during any 36 month or 12 month period of service as a member of UCRP will be considered as compensation earnable as a member of CalPERS for purposes of computing final compensation if the member retires on the same date with both systems.

UCRP regulations do not have a similar provision except when reciprocity applies.

Benefits Arising from Movement to Certain Non-Reciprocal Public Retirement Systems

There is no reciprocity established between the following public retirement systems and CalPERS:

State Teachers' Retirement System (STRS)
Legislators' Retirement System (LRS)
Judges' Retirement System (JRS)

However, the following benefits are afforded



to a CalPERS member who enters employment with STRS, JRS or LRS:

- **Final Compensation:** Compensation earnable during any consecutive 36 month or 12 month period of service as a member of State Teachers' Retirement System, Judges' Retirement System (not applicable to JRS II members) or Legislators' Retirement System will be considered as compensation earnable as a member of CalPERS for purposes of computing final compensation if the member retires on the same date with both systems except where the member is an "Elective or Appointed Officer" on or after July 1, 1994.

Only STRS has a similar provision for the use of highest final compensation in its retirement law. JRS and LRS do not use CalPERS salaries.

- **Redeposit Rights:** A member may choose to withdraw his CalPERS contributions upon leaving CalPERS covered employment even though they enter employment as a member of STRS, JRS or LRS. This member has the right to later elect to redeposit those CalPERS contributions in order to re-establish service credit and membership in this system.
- **Refund Restriction:** A member's CalPERS contributions may not be withdrawn while the member is in employment as a member of STRS, JRS, or LRS.
- **Vesting:** A CalPERS member (first and second-tier) who has established membership

with STRS, JRS or LRS is entitled to retire from CalPERS without meeting the minimum service credit requirement.

Note: There is no provision for the payment of a CalPERS disability retirement when a member is eligible for a disability benefit with STRS, JRS or LRS. Therefore, if a member is entitled to a disability retirement from STRS*, JRS or LRS the member must retire for service retirement with CalPERS on the same date in order for the provisions of final compensation to apply. If not, (for example, not minimum retirement age) CalPERS salaries will be used in determining the final compensation when the member retires upon becoming eligible for a service retirement.

* If a member is receiving a disability *allowance* from STRS they can retire for Service with CalPERS either at the time they start receiving the disability allowance (if minimum retirement age) or at age 60 when the disability allowance under STRS is changed to a service retirement. In either case, the member is considered to have retired concurrently with CalPERS and the final compensation provision applies.



For More Information

Member Services Division, Unit 841

P.O. Box 942704

Sacramento, CA 94229-2704

(916) 326-3141

(916) 326-3287– Fax

Area and Field Offices

Refer to *Do You Have The Right Number?*

(PERS-PUB-19) for a directory to CalPERS

Area and Field Office locations.

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



How to Notify CalPERS When You Change Retirement Systems

When you become a member of a reciprocal public retirement system or non-reciprocal public retirement system (STRS, LRS, JRS) you can notify CalPERS by one of the following methods:

- Complete the attached Notification Letter.
- Complete the system membership election form or the separation document (state employees) when separating from CalPERS covered employment.
- Submit a written request to:
California Public Employees
Retirement System
Member Services Division, Unit 841
P.O. Box 94704
Sacramento, CA 94229-2704



How Did You Like This Brochure

If you would like to share your opinion of this brochure, please send us your ideas. Your constructive comments can help us make this brochure even better. Please answer the questions below and mail this page to the following address:

California Public Employees' Retirement System
Office of Public Affairs
P.O. Box 1802, Sacramento, CA 95812-1802

1. This brochure is designed to provide an overview of retirement information. Did you get a useful overview of the information from reading this brochure?
☐ Yes ☐ No If no, what do you find lacking?

2. Did you have questions after reading any sections?
☐ Yes ☐ No If yes, in what sections do you have questions, and what are your questions?

3. Did you find any sections particularly helpful?
☐ Yes ☐ No If yes, which sections?

4. Did you find yourself wanting additional information on any subjects?
☐ Yes ☐ No If yes, which subjects?

5. If you have other comments, please share them below.

Notification of Change

Please complete and return this document to the address shown below.

Name: _____

Social Security Number: _____

Birth Date: _____

Home Phone: (_____) _____

Work Phone: (_____) _____

Mailing Address: _____

Leaving CalPERS Membership:

Name of Other Retirement System: _____

Membership Date in Other Retirement System: _____

Entering CalPERS Membership:

Name of Other Retirement System: _____

Separation Date in Other Retirement System: _____

I understand that by accepting employment which provides
I am subject to the laws and regulations administered by each system.
I may not be withdrawn while I am in employment as a member of
any retirement system, entered within six months of leaving state service, in
violation of the California Public Employees' Retirement Law of 1937 or public agency retirement system listed in the directory.

Signature _____

Date _____



Return to:
California Public Employees' Retirement System
Member Services Department
P.O. Box 10000
Sacramento, CA 95834
(916) 324-7000
FAX (916) 324-7001

in Retirement System

own below.

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membership in another California public retirement system
ch system. I understand that my CalPERS contributions
 over of JRS, LRS, STRS, UCRP or while I am in employ-
 a system covered under the County Employees Retirement
 is booklet.

rn to:

Public Employees'
Pension System
Division – Unit 841
Ext. 942704
Toll Free 1-800-942-2704
360-326-3141
Fax 360-326-3287



*California Public Employees'
Retirement System*

400 P Street

Sacramento • CA 95814

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